

Statement of U.S. Senator Bob Graham
"Commercial Space Act of 1997"

Subcommittee on Science, Technology and Space
Senate Commerce, Science and Transportation Committee
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Mr. Chairman and the distinguished ranking member, thank you for the opportunity to address the Subcommittee on Science, Technology and Space on the commercialization of space. I appreciate the generosity of the Senate Commerce, Science and Transportation Committee in allowing me to speak on the "Commercial Space Act of 1997," introduced by Senator Mack and myself in November 1997.

This legislation is critical in allowing United States launch companies to compete effectively in the growing commercial space race. Having already passed the House by a large margin, the Commercial Space Act is now ready for consideration by the Senate. I want to work with you to ensure the future of our nation's high-tech economic frontier: commercial space.

I speak to you today as a Senator concerned about both our national security and our nation's economic position. The United States cannot afford to descend into a "launch gap."

When the space race began with the launch of Sputnik in October 1957, American citizens listened in indignation and fear as the first man-made satellite -- a Soviet satellite -- beeped its way around the earth. In the two decades that followed, an aggressive U.S. space program, both civil and military, brought our country back to its rightful lead in technology by putting a man on the moon and securing many other achievements in space.

But there is no denying that today, the United States preeminence in commercial space is threatened. If you were to step back in time 30 years to the nation's premier launch facility, Cape Canaveral, you would have seen a forest of launch vehicles ready on the pads. Visit our launch facilities today and you will see under-utilized launch facilities while at the same time U.S. commercial companies struggle to develop new space vehicles under constraints of outdated laws and policies.

A recent aerospace survey predicts over 2,000 satellites will be launched into earth orbit over the next decade. The good news is that U.S. government and American companies may launch up to 65 percent of those payloads **if** the

Commercial Space Act is implemented. The bad news is that many commercial satellite companies are already looking to foreign countries for launch vehicles and services due to the restrictive environment in which they must operate in the United States and the lack of available launch vehicles.

In other words, Mr. Chairman, while our space industry is rapidly preparing for the 21st Century, federal policy in dealing with this important source of economic activity is stuck on the launch pad.

The single most important provision of the Commercial Space Act is an amendment to the Commercial Space Launch Act of 1984 that gives the federal government the authority to license commercial space re-entry activities. In short: what goes up, must come down.

Can you imagine the Wright Brothers flight at Kitty Hawk ever being made if the government told them, "Sure you can fly it, just don't land." The way the law presently exists, commercial companies can launch but cannot land any vehicle returning from space. Only the U.S. government is allowed this privilege.

This provision must be changed to allow the development of future generations of spacecraft, such as the Reusable Launch Vehicle. This is the business of space: providing services, repeat services, to entrepreneurs. We must regulate in an efficient and expeditious manner to support this growing market.

That brings me to my next point: this bill, to borrow from Neil Armstrong, will take a giant leap in clarifying complex and sometimes divergent commercial space licensing requirements in federal agencies. By streamlining the regulations and licensing, we will allow commercial companies to raise capital, develop business plans, and create job opportunities that might otherwise go overseas.

Mr. Chairman, U.S. commercial space industry faces a number of threats from abroad. The most serious are the Russian Proton, the Chinese Long March, and the European Space Agency Ariane rockets launched from French Guiana in South America. But this is not a comprehensive list. There are numerous competitors who would be more than happy to see the U.S. commercial launch industry locked in a web of regulations and limitations.

I am proud to report that one thing our bill does not do is spend any new taxpayer dollars. As a policy bill, we are seeking to level the playing field without creating any new government programs. Our bill does require studies, but those studies will be accomplished using the existing resources of agencies involved and data that has already been collected.

For instance, our legislation would require the Department of Defense to conduct an inventory of its range assets and determine what, if any, deficiencies exist.

Much of this information is already available through existing Defense Department reports. Armed with this information, we can convert our nation's launch ranges back to the busiest space facilities in the world.

But this legislation does more than just refrain from new spending. It actually saves money by allowing the conversion of excess ballistic missiles into space transportation vehicles. Due to the START treaty, these missiles can no longer be used for their original intended purpose. Furthermore, they are extremely expensive to store or destroy.

By using these missiles as launch vehicles, the government will be able to launch small scientific and educational payloads that cannot afford the larger and more expensive rocket systems. This is a legal and efficient way to dispose of an expensive asset. Our Russian counterparts have been firing their missiles as opposed to spending money to destroy them. We will implement one more practical step by firing them with a payload.

The final issue I would like to address regarding the Commercial Space Act is the clarification that indemnification is available to launch site operators as well as launch vehicle providers. This ensures both operators and providers are conducting their business safely and according to the same allocations of risk.

In closing, let me remind you of remarks that President John F. Kennedy made in the midst of the hotly contested space race. During one of his visits to Cape Canaveral, President Kennedy declared, "We choose to go the moon in this decade and do the other things, not because they are easy, but because they are hard."

As we consider the Commercial Space Act, we should all ponder that quote. It is not easy for the federal government to change the way it has done business for many years. It is hard; it is a challenge, for forward-thinking people both in and out of the government. But it is what we must do to protect our investment in the nation's economic future and our national pride.

I ask my colleagues on the Senate Commerce Committee to support this legislation. It is vital that we ensure our nation's position in the commercial space race of the 21st century. I thank you again for your time and consideration here today.